

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF THE MCKINNEY)	
WATER DISTRICT OF LINCOLN COUNTY,)	
KENTUCKY, AND MCKINNEY WATER ASSOCI-)	
ATION, INC., OF LINCOLN COUNTY,)	
KENTUCKY, FOR APPROVAL OF A "CONTRACT)	
OF SALE AND PURCHASE" PROVIDING FOR)	CASE NO. 9633
THE PURCHASE BY SAID DISTRICT OF THE)	
WATERWORKS SYSTEM OF SAID ASSOCIATION,)	
SUBJECT TO CERTAIN EXISTING EN-)	
CUMBRANCES AGAINST SAID SYSTEM)	

O R D E R

On July 14, 1986, the McKinney Water District and the McKinney Water Association, Inc., filed a joint petition with the Public Service Commission for approval of a Contract of Sale and Purchase. On October 9, 1984, the Commission issued its Order in Case No. 8974 merging the McKinney Water Association, Inc., into the McKinney Water District.

In this application the petitioners request approval of the sale of the McKinney Water Association, Inc., to the McKinney Water District in compliance with the Order in C.N. 8974.

McKinney Water Association, Inc., has an outstanding note and mortgage with the Farmers Home Administration ("FmHA") and any sale of its system requires FmHA approval.

The Public Service Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. The Contract of Sale and Purchase between the McKinney Water Association, Inc., and the McKinney Water District facilitates the Commission's Order in C.N. 8974 and should be approved.

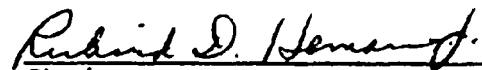
2. The Contract of Sale and Purchase between the McKinney Water Association, Inc., and the McKinney Water District should be approved by FmHA.

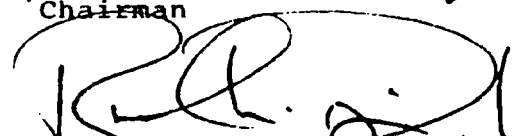
IT IS THEREFORE ORDERED that the Contract of Sale and Purchase between the McKinney Water Association, Inc., and the McKinney Water District be and it hereby is approved.

IT IS FURTHER ORDERED that FmHA approval of the subject contract shall be obtained at the earliest possible date and, if necessary, a revised contract shall be submitted for the Commission's approval.

Done at Frankfort, Kentucky, this 6th day of August, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director